BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the adoption of New Rules I through IX pertaining to credit union debt cancellation contracts and debt suspension agreements	))))	NOTICE OF PUBLIC HEARING ON PROPOSED ADOPTION

TO: All Concerned Persons

1. On October 13, 2011, at 10:00 a.m., the Department of Administration will hold a public hearing in Room 342 of 301 South Park, at Helena, Montana, to consider the proposed adoption of the above-stated rules.

2. The Department of Administration will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Administration no later than 5:00 p.m. on October 6, 2011, to advise us of the nature of the accommodation that you need. Please contact Wayne Johnston, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2918; TDD (406) 444-1421; facsimile (406) 841-2930; or e-mail to banking@mt.gov.

3. The proposed new rules provide as follows:

GENERAL STATEMENT OF REASONABLE NECESSITY: HB 432 was passed by the 2011 Montana Legislature and signed into law by the Governor on April 7, 2011. Its effective date is October 1, 2011. The law authorizes state-chartered credit unions, with department approval, to offer debt cancellation contracts and debt suspension agreements to their members in connection with loans or extensions of credit. The law states that such contracts are not insurance and requires the department to adopt rules that are substantially equivalent to or more stringent than federal laws, regulations, and guidelines applicable to federal credit unions that offer debt cancellation contracts and debt suspension agreements.

The National Credit Union Administration (NCUA) regulation 12 CFR Chapter VII, Subchapter A, §721.3(g) states that debt cancellation contracts and debt suspension agreements are loan-related products that federal credit unions are preapproved to offer under the incidental powers granted to them by 12 USC Chapter 14, Subchapter 1, §1757(17). The NCUA has not adopted specific regulations pertaining to debt cancellation contracts and debt suspension agreements. However, NCUA Letter No. 03-FCU-06 states that for guidance as to best practices, federal credit unions should review the Office of the Comptroller of the Currency (OCC) regulation 12 CFR Part 37 relating to debt cancellation/suspension (DCS) programs offered by national banks. The department believes that state-chartered credit unions should follow best practices pertaining to debt cancellation contracts and debt suspension agreements consistent

with safety and soundness principles. Therefore, the department has patterned these proposed credit union rules after 12 CFR Part 37.

The department's proposed rules for state-chartered banks pertaining to debt cancellation contracts and debt suspension agreements (MAR Notice No. 2-59-452) are also patterned after 12 CFR Part 37. The department is aware of no reason for variances to exist between the rules governing banks and the rules governing credit unions pertaining to the same topic. A competitive advantage should not accrue to the benefit of one group of institutions over the other based on the administrative rules applicable to each. The objective of the department's rulemaking in both instances is to help ensure the institutions' safety and soundness.

NEW RULE I DEFINITIONS (1) "Actuarial method" means the method of allocating payments made on a debt between the amount financed and the finance charge. Under this method, a payment is applied first to the accumulated finance charge and any remainder is subtracted from, or any deficiency is added to, the unpaid balance of the amount financed.

(2) "Contract" means a debt cancellation contract or a debt suspension agreement.

(3) "Debt cancellation contract" means a loan term or contractual arrangement modifying loan terms under which a credit union agrees, for a fee, to cancel all or part of a member's obligation to repay an extension of credit from that credit union upon the occurrence of a specified event. The agreement must specify the extension of credit to which it pertains. The agreement may be separate from or a part of other loan documents. A debt cancellation contract may be offered and purchased either contemporaneously with the other terms of the loan agreement or subsequently.

(4) "Debt suspension agreement" means a loan term or contractual arrangement modifying loan terms under which a credit union agrees, for a fee, to suspend all or part of a member's obligation to repay an extension of credit from that credit union upon the occurrence of a specified event. The agreement must specify the extension of credit to which it pertains. The agreement may be separate from or a part of other loan documents. The term "debt suspension agreement" does not include loan payment deferral arrangements in which the triggering event is the member's unilateral election to defer repayment or the credit union's unilateral decision to allow a deferral of repayment.

(5) "Guaranteed asset protection (GAP) waiver or agreement" means a term of an extension of credit or contractual arrangement modifying terms of an extension of credit for the purchase of titled personal property under which a credit union agrees to cancel the member's obligation to repay the portion of the extension of credit that exceeds the amount paid by the primary insurer of the titled personal property upon the insurer's declaration that the titled personal property is a total loss or determination that the titled personal property is stolen and not recoverable.

(6) "Loan" or "extension of credit" means a direct or indirect advance of funds to a member made on the basis of any obligation of that member to repay the funds or that is repayable from specific property pledged by or on the member's behalf. The term also includes any liability of a credit union to advance funds to or on behalf of any member under a contractual commitment.

(7) "Member" means an individual who obtains from a credit union an extension of credit that is primarily for personal, family, or household purposes. In the case of a credit union serving low income individuals, a qualifying nonmember is considered a "member." For purposes of this subchapter, the term means the same thing as borrower.

(8) "Residential mortgage loan" means a loan for personal, family, or household purposes secured by a one- to four-family residential property.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011
IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: Definitions of the terms in (1), (2), (3), (4), and (8) are substantially equivalent to the definitions of the same terms in 12 CFR 37.2 that is applicable to national banks. The department has determined that the federal definitions will be sufficient to serve the department's purposes and meet the Legislature's intent. Because these definitions already exist, the department saw no need to write its own original definitions.

The definition of "guaranteed asset protection (GAP) waiver or agreement" in (5) is substantially equivalent to and adapted from Office of the Comptroller of the Currency (OCC) Interpretive Letters #1028 and #1032 concerning GAP waivers or agreements as they relate to debt cancellation contracts offered by national banks. The department believes the OCC's description of GAP waivers or agreements in the interpretive letters is clear, that the definition adapted from the OCC interpretative letters is equally germane to credit unions, and that the definition adapted from the letters is sufficient to serve the department's purposes and meet the Legislature's intent.

The definition of "loan" or "extension of credit" in (6) is substantially equivalent to and adapted from 12 USC 84(b)(1). The definition was selected because it encompasses both advanced funds and commitments to advance funds. Loans and commitments to advance funds are both addressed in NCUA regulation 12 CFR §701.21 and are treated similarly throughout that regulation in all pertinent respects. The department chose to define "loan" or "extension of credit" for clarification purposes because the term is used throughout 12 CFR Part 37 upon which these rules are patterned, but the term is not defined in that part.

The definition of "member" in (7) is adapted from the definition of "customer" in 12 CFR 37.2 that is applicable to national banks, in order to make the definition specific to credit unions.

NEW RULE II DEBT CANCELLATION AND DEBT SUSPENSION PROGRAMS – REQUIREMENTS (1) A credit union offering debt cancellation contracts and/or debt suspension agreements shall:

(a) manage the risks associated with debt cancellation contracts and debt suspension agreements in accordance with credit union safety and soundness principles by establishing and maintaining effective risk management and control processes over its debt cancellation contracts and debt suspension agreements to include:

(i) appropriate recognition and financial reporting of income, expenses, assets, and liabilities;

(ii) appropriate treatment of all expected and unexpected losses associated with the contracts; and

(iii) assessment of the adequacy of its internal control and risk mitigation activities in view of the nature and scope of the credit union's debt cancellation and debt suspension program; and

(b) obtain and maintain in effect, insurance from an insurer authorized or otherwise registered with the State Auditor and Commissioner of Insurance to do business in Montana. The insurance must cover 100% of the at-risk loan balances to which the credit union's debt cancellation contracts pertain.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011
IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: Subsection (1)(a) is substantially equivalent to 12 CFR 37.8 that is applicable to national banks. The department has determined that the federal regulation, together with (1)(b), will be sufficient to serve the department's purposes and meet the Legislature's intent.

Subsection (1)(b) adds a requirement that has no counterpart or equivalent in the federal regulations, making this rule more stringent than 12 CFR 37.8. NCUA Letter No. 03-FCU-06 to Credit Unions states that insurance coverage is not required for the at-risk balance of loans covered by DCS programs but that credit unions may insure all or part of the risk. However, the department believes the best practice, consistent with credit union safety and soundness principles, is to require insurance coverage. The potential losses that a credit union is exposed to when it offers debt cancellation contracts could be significant. Ideally, a credit union could maintain a robust and effective internal program of monitoring and managing the risk without insurance, but that ideal may not always be met. A credit union may not fully appreciate the extent of its risk exposure at all times if, for example, it does not retain an actuarial consultant. The department believes this reality poses an unacceptable risk to the credit union's safety and soundness.

Credit union service organizations and other vendors offer services to credit unions related to administration of debt cancellation and debt suspension programs offered by credit unions. The service organizations' and vendors' products include an insurance component that was cited by the industry and by vendors in their discussions with the department regarding HB 432 prior to its passage. The insurance component was an important consideration of the department in its decision not to oppose the bill. The department does not believe that requiring a credit union to obtain insurance coverage for the at-risk balances of loans to which debt cancellation contracts pertain, for example, changes the essential character of the two-party debt cancellation contract or converts it to an insurance product.

Under HB 432, debt cancellation contracts and debt suspension agreements between members and credit unions under which there is no obligation on the part of a third-party insurer to pay the member's loan balance or make loan payments on the member’s behalf upon the occurrence of the identified event are not insurance. By contrast, under an insurance contract between a credit union and an insurer

covering the credit union's risks associated with offering debt cancellation contracts, for example, the insurer is obligated to pay the credit union for the loss it sustains when a debt cancellation contract is activated by the occurrence of the identified event. Clearly, the latter transaction is an insurance transaction that is subject to the provisions of Title 33, MCA.

NEW RULE III REQUIRED DISCLOSURES (1) A credit union shall provide the following disclosures to the credit union's member at the time of offering the member a debt cancellation contract or debt suspension agreement:

(a) notice of the prohibited acts or practices contained in [NEW RULE IV];

(b) the fee applicable to the contract and any payment options;

(c) any refund policy if the fee is paid in a single payment and added to the amount borrowed;

(d) whether the member is barred from using the credit line to which it pertains if the debt cancellation contract or debt suspension agreement is activated;

(e) eligibility requirements, conditions, and exclusions;

(f) that a debt suspension agreement, if activated, does not cancel the debt, but only suspends payment requirements; and

(g) notice that cancellation of debt may result in a tax liability to the member if activated.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011
IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: Subsections (1)(b) through (1)(f) are substantially equivalent to 12 CFR 37.6 that is applicable to national banks. The department has determined that the federal regulation, when combined with (1)(a) and (1)(g) of this rule, provides sufficient information to enable a credit union member to make an informed decision concerning the purchase of a debt cancellation or debt suspension contract.

Subsection (1)(a) requires a credit union to give the member notice of what acts or practices of a credit union pertaining to debt cancellation contracts and debt suspension agreements are prohibited under New Rule IV. The department believes that members with knowledge of the prohibited acts and practices can more effectively assert the protections that the law affords them. Subsection (1)(a) may also protect credit unions from unfounded member claims that the member was unaware of relevant information or was misled.

Subsection (1)(g) has no equivalent or counterpart in 12 CFR 37.6 that is applicable to national banks. During the hearings on HB 432, Sen. Balyeat asked the bill proponents whether activation of a debt cancellation contract was a taxable event. While (1)(g) does not require a credit union to give its member tax advice on Internal Revenue Code §6050P or any other provisions of the tax code, it requires that the member be given notice of the potential tax liability if a debt cancellation contract is activated. The requirement in (1)(g) makes this rule more stringent than 12 CFR 37.6 that is applicable to national banks. The department believes that, given Sen. Balyeat's comment, it is important that the member know of a potential tax liability.

NEW RULE IV PROHIBITED ACTS OR PRACTICES (1) A credit union is prohibited from engaging in any of the following acts or practices:

(a) extending credit or altering the terms or conditions of an extension of credit conditioned upon the member entering into a debt cancellation contract or debt suspension agreement with the credit union. The prohibition is commonly referred to in the regulatory context as the anti-tying provision;

(b) engaging in any practice or using any advertisement that could mislead or otherwise cause a reasonable person to reach an erroneous belief with respect to information that must be disclosed under [NEW RULE III], including what is being offered, the cost, and/or the terms of the contract;

(c) offering debt cancellation contracts or debt suspension agreements that contain terms:

(i) giving the credit union the right unilaterally to modify the contract unless:

(A) the modification is favorable to the member and is made without additional charge to the member; or

(B) the member is notified of any proposed change and is provided a reasonable opportunity to cancel the contract without penalty before the change goes into effect; or

(ii) requiring an up-front, lump-sum single payment for the contract if the extension of credit to which the contract pertains is a residential mortgage loan.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011
IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: This rule is substantially equivalent to 12 CFR 37.3 that is applicable to national banks. The department believes that the federal regulation will serve the department's purposes and meet the Legislature's intent. The OCC regulation is being applied to state credit unions because the NCUA stated in 03-FCU-06 that the OCC regulations at 12 CFR 37 represent best practices for federal credit unions and the department believes state credit unions should use best practices in the administration of their debt cancellation and debt suspension programs. In addition, the prohibited practices included in this rule are equally important for the protection of state credit union members as they are for the protection of national banks' customers. This rule adds examples of the areas in which a member could be misled or come to an erroneous belief as a result of a credit union's practices or advertising. The examples were cited in a recent case in which a federal regulator imposed large civil penalties against a national bank related to its marketing of credit protection products. The department believes that inclusion of specific examples in (1)(b) provides more clarity to the rule. The department believes the OCC rule, after which this rule is patterned, will serve the department's purposes and will meet the Legislature's intent.

NEW RULE V REFUNDS OF FEES UPON TERMINATION OR PREPAYMENT OF COVERED LOAN (1) If a debt cancellation contract or debt suspension agreement is terminated, including, for example, when the member

prepays the covered loan, a credit union shall refund to the member any unearned fees paid for the contract unless the contract provides otherwise.

(2) A credit union may offer a member a contract that does not provide for a refund only if the credit union also offers that member a bona fide option to purchase a comparable contract that provides for a refund.

(3) A credit union shall calculate the amount of a refund using a method at least as favorable to the member as the actuarial method.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011
IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: This rule is substantially equivalent to 12 CFR 37.4 that is applicable to national banks. The OCC regulation is being applied to state credit unions because the NCUA stated in 03-FCU-06 that the OCC regulations at 12 CFR 37 represent best practices for federal credit unions and the department believes that state credit unions should use best practices in their debt cancellation and debt suspension programs. Clarity of the refund issue serves state credit union members equally well as it serves customers of national banks. The department believes that the federal regulation will be sufficient to serve the department's purposes, meet the Legislature's intent, and ensure fairness to a credit union's member by providing refund options as well as overall clarity to the refund issue.

NEW RULE VI METHOD OF PAYMENT OF FEES (1) Except as provided in [NEW RULE IV(1)(c)(ii)], a credit union may offer a member the option of paying the fee for a debt cancellation contract or a debt suspension agreement in a single payment, provided the credit union also offers the member a bona fide option of paying the fee for that contract in periodic installment payments.

(2) If a credit union offers the member the option to finance the single payment by adding it to the loan principal, the credit union must also disclose, in accordance with [NEW RULE V], whether the member may cancel the agreement and receive a refund, and, if so, the time period during which the member may do so.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011
IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: This rule is substantially equivalent to 12 CFR 37.5 that is applicable to national banks. The OCC regulation is being applied to state credit unions because the NCUA stated in 03-FCU-06 that the OCC regulations at 12 CFR 37 represent best practices for federal credit unions and the department believes that state credit unions should use best practices in the administration of their debt cancellation and debt suspension programs. The department believes that a rule that provides payment options will be beneficial to members. The department believes that the federal regulation will be sufficient to serve the department's purposes, meet the Legislature's intent, and, together with NEW RULE V, provide overall clarity to the refund issue.

NEW RULE VII AFFIRMATIVE ELECTION TO PURCHASE AND ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURES (1) Before entering into a debt cancellation contract or debt suspension agreement, a credit union shall obtain the member's written affirmative election to purchase the contract and a written acknowledgment of receipt of the disclosures required under [NEW RULE III].

(2) The election and acknowledgment information must be conspicuous, simple, direct, readily understandable, and designed to call attention to its significance.

(3) The election and acknowledgment information satisfies these standards if it conforms to the following requirements:

(a) if the sale of a contract occurs by telephone, the member's affirmative election to purchase may be made orally, provided that the credit union:

(i) maintains sufficient documentation to show that the member received the short-form disclosures substantially similar to [NEW RULE VIII(1)] and then affirmatively elected to purchase the contract;

(ii) mails to the member the affirmative written election and written acknowledgment together with a long-form disclosure substantially similar to [NEW RULE VIII(2)], within three business days after the telephone solicitation, and maintains sufficient documentation to show it made reasonable efforts to obtain the documents from the member; and

(iii) permits the member to cancel the purchase of the contract without penalty within 30 days after the credit union has mailed the long-form disclosures to the member; or

(b) if the contract is solicited through written materials such as mail inserts or "take one" applications and a credit union provides only the short-form disclosures in the written materials, then the credit union shall mail the acknowledgment of receipt of disclosures, together with a long-form disclosure as provided under [NEW RULE VIII(2)], to the member within three business days, beginning on the first business day after the member contacts the credit union or otherwise responds to the solicitation. A credit union may not obligate the member to pay for the contract until after the credit union has received the member's written acknowledgment of receipt of disclosures unless the credit union:

(i) maintains sufficient documentation to show that the credit union provided the acknowledgment of receipt of disclosures to the member;

(ii) maintains sufficient documentation to show that the credit union made reasonable efforts to obtain from the member a written acknowledgment of receipt of the long-form disclosures; and

(iii) permits the member to cancel the purchase of the contract without penalty within 30 days after the credit union has mailed the long-form disclosures to the member.

(4) The affirmative election and acknowledgment may be made electronically in a manner consistent with the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001 et seq. and the Uniform Electronic Transaction Act, Title 30, chapter 18, part 1, MCA.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011

IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: This rule is substantially equivalent to 12 CFR 37.7 that is applicable to national banks. The OCC regulation is being applied to state credit unions because the NCUA stated in 03-FCU-06 that the OCC regulations at 12 CFR 37 represent best practices for federal credit unions. The department believes that state credit unions should use best practices in the administration of their debt cancellation and debt suspension programs. The requirement for an affirmative election to purchase and for an acknowledgment of receipt of disclosures is a consumer protection issue that is equally important for state credit union members as it is for customers of national banks. The requirement also protects credit unions. The department believes that the federal regulation is sufficient to serve the department's purposes and to meet the Legislature's intent. Section (4) includes a citation to state law relating to electronic transactions that is not included in 12 CFR 37.7. The addition of the reference to state law will clarify for credit unions that a member's affirmative election and acknowledgment pertaining to the purchase of a debt cancellation or debt suspension contract may be in electronic form.

NEW RULE VIII DISCLOSURE FORMS (1) The department adopts as a model, but not as a requirement, the Comptroller of the Currency's model short-form disclosure at 12 CFR 37 Appendix A revised as of January 1, 2010. The form must be adapted by the credit union to include the disclosures required under [NEW RULE III(1)(a) and (g)].

(2) The department adopts as a model, but not as a requirement, the Comptroller of the Currency's model long-form disclosure at 12 CFR 37 Appendix B revised as of January 1, 2010. The form must be adapted by the credit union to include the disclosures required under [NEW RULE III(1)(a) and (g)].

(3) The model forms in (1) and (2), which are available at Title 12, Volume I, Part 37, Appendices A and B in the Code of Federal Regulations, are not mandatory, but a credit union that provides disclosures in a form substantially similar to the adapted model forms will be deemed to have satisfied the disclosure requirements applicable to the credit union concerning its debt cancellation and/or debt suspension program.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011
IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: This rule is substantially equivalent to 12 CFR Part 37, Appendices A and B, that are applicable to national banks except this rule requires a credit union to adapt the federal forms to include the requirements imposed by these rules that have no counterpart or equivalent in federal regulations so that the disclosures are consistent with these rules. The department believes the OCC disclosure forms, when adapted to include the disclosures required by NEW RULE III(1)(a) and (g), are comprehensive model forms and that there is no need for the department to write its own original model form. The model forms include provisions that may not be applicable to every credit

union's debt cancellation and debt suspension program. A credit union will have to tailor the model forms to match the scope of its own program. To require use of the OCC form containing provisions inapplicable to the credit union's particular program would be more confusing than informative to the credit union's members. For that reason the department chose not to require use of the OCC forms but to adopt those forms as models.

NEW RULE IX GUARANTEED ASSET PROTECTION (GAP) FEATURE

(1) A debt cancellation contract with a GAP feature offered in connection with an extension of credit for the purchase of titled personal property for personal, family, or household use is a single product and does not require a separate agreement related to financing for the GAP feature. A credit union offering a debt cancellation contract with a GAP feature may do so through nonexclusive agents such as automobile dealers.

AUTH: 32-3-201, MCA; Sec. 2, Ch. 138, L. 2011
IMP: 32-3-609, MCA; Sec. 2, Ch. 138, L. 2011

STATEMENT OF REASONABLE NECESSITY: This rule pertaining to Guaranteed Asset Protection features of debt cancellation contracts derives from OCC Interpretative Letters #1028 and #1032 and from NCUA Office of General Counsel (OGC) Op. 2009/09-0218 dated February 24, 2009; OGC Op. 97-0632 dated September 12, 1997; OGC Op. 02-1074 dated December 23, 2002; and OGC Op. 03-1039 addressing whether GAP features are debt cancellation products, whether they run afoul of the anti-tying provision in NEW RULE IV(1)(a), and whether they may be offered through nonexclusive agents such as automobile dealers. Based on the numbers and types of inquiries directed to the OCC and the NCUA about GAP features of debt cancellation contracts, the department believes that, in the absence of this rule, there would likely be confusion about such matters among credit unions. The department believes this rule is necessary to clarify that potential area of confusion.

4. Concerned persons may present their data, views, or arguments concerning the proposed action to Lorraine Schneider, Legal Counsel, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; or e-mailed to banking@mt.gov; and must be received no later than 5:00 p.m., October 21, 2011.

5. Lorraine Schneider, Department of Administration, has been designated to preside over and conduct this hearing.

6. The Division of Banking and Financial Institutions maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this division. Persons who wish to have their name added to the mailing list shall make a written request which includes the name and mailing address or e-mail address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Notices will be sent by e-mail

unless a mailing preference is noted in the request. Such written requests may be mailed or delivered to Wayne Johnston, Division of Banking and Financial Institutions, 301 S. Park, Ste. 316, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to banking@mt.gov; or may be made by completing a request form at any rules hearing held by the department.

7. An electronic copy of this Proposal Notice is available through the department's web site at http://doa.mt.gov/administrativerules.mcpx. The department strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that if a discrepancy exists between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the department works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

8. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. On August 11, 2011, Rep. Tom Berry, primary bill sponsor of HB 432, was sent a letter with enclosed draft rules to the address on file for him with the Secretary of State. This letter was sent when the department was beginning to work on the substantive content and wording of the proposed rules. No comments were received.

By: /s/ Janet R. Kelly
Janet R. Kelly, Director
Department of Administration

By: /s/ Michael P. Manion
Michael P. Manion, Rule Reviewer
Department of Administration

Certified to the Secretary of State September 12, 2011.